Division of Agricultural Sciences
UNIVERSITY OF CALIFORNIA

HD1761
G6
#215

AN EVALUATION OF ALLOTMENT PLANS A AND B ON CALIFORNIA COTTON FARMS IN 1959

Douglas D. Caton and Trimble R. Hedges

UNIVERSITY OF CALIFORNIA
DAVIS
MAR 27 1959
LIBRARY

CALIFORNIA AGRICULTURAL EXPERIMENT STATION
GIANNINI FOUNDATION OF AGRICULTURAL ECONOMICS

Mimeographed Report No. 215

February 1959

CONTENTS

Page

ii. Tables

1. New Legislation Provides Producers Quantity-Price Choices When Planning 1959 Production.

8. Relative Advantages of Plans A and B Vary Among Cotton Growers.

TABLES

		Page
Table 1.	Cotton: Acreage Allotments, Acreage Under Soil Bank, and In Cultivation July 1, by States, United States, 1958 and 1959	4
Table 2.	Farm Crop Acres by Farm Size, Four Representative California Cotton Farms 1958, and 1959 Under Plans A and B	9
Table 3.	Net Income Above Variable Costs, Three Yield Levels 1958, 1959 Estimated for Plan A and Plan B	11
Table 4.	Changes in the Price of Cotton Lint Required to Make the Income From Plan B Equal to Plan A (plus or minus 27.3 cents per pound as the basis)	12

APPENDIX TABLES

Table 1.	Net Earnings Above Variable Costs; 80-acre General Farms	I
Table 2.	Net Earnings Above Variable Costs; 320-acre General Farm	IV
Table 3.	Net Earnings Above Variable Costs; 320-acre Specialty Farm	VII
Table 4.	Net Earnings Above Variable Costs; 1,050-acre General Farm	X
Table 5.	Cotton: Acreage, Production and Yield Forecast, by States Crop of 1958 With Comparisons: November 1, 1958	XIII
Table 6.	Cotton: Parity Price and Farm Price as a Percent of Parity, United States, 1950 to Date	XIV
Table 7	All Kinds of Cotton: Supply and Distribution, United States, Average 1935-1939, 1945-1949 and 1950 to Date	XV
Table 8	Commercial Cotton, All Growths: World Supply and Consumption, Average 1935-1939, 1940-1944, 1945-1949; Annual 1950 to Date	XVI

AN EVALUATION OF ALLOTMENT PLANS A AND B ON CALIFORNIA COTTON FARMS IN 1959*

Douglas D. Caton 1/

Trimble R. Hedges 2/

NEW 1958 LEGISLATION PROVIDES PRODUCERS QUANTITY-PRICE CHOICES WHEN PLANNING 1959 PRODUCTION

Essential Facts For Production Decisions

Cotton producers must choose in 1959 between Plan A--price supported at not less than 80 percent of parity on production limited to their regular allotments, versus Plan B--up to 40 percent larger acreage allotments coupled with prices supported at 15 percent of parity less than under Plan A. After making a choice between Plans A and B each farmer must notify his County Agricultural Stabilization and Conservation Committee before mid-March.

The best choice between the two plans for an individual farmer will depend on his own yields, costs, size of business, and other factors. The purpose of this report is to illustrate how each plan might affect the cropping system and incomes on some typical cotton farms in the San Joaquin Valley. Some farmers will find it more profitable to use Plan A; others will find it more profitable to use Plan B. An examination of the illustrations reported here should help a cotton farmer make the best choice.

We undertake in the following pages to analyze some of the more dominant factors that will affect farm earnings under both Plan A and Plan B. The chief emphasis is on conditions and results in 1959.

---

* The assistance of Dr. J. Edwin Faris during the formulating stage of this report is gratefully acknowledged.

1/ Agricultural Economist, Farm Economics Research Division, Western Field Research Section, Agricultural Research Service, U. S. Department of Agriculture, at the University of California, Davis, California.

2/ Professor of Agricultural Economics and Agricultural Economist in the Experiment Station and on the Giannini Foundation, University of California, College of Agriculture, Davis, California.

We recognize that other cotton production, marketing, and price problems are important in addition to those that are uppermost for 1959 production decisions. These are those relating to future market developments and their effect on cotton producer profits. An additional report concerns itself with certain additional aspects of cotton price support and production control.[1]

This report assumes that cotton farmers in early 1959 are primarily concerned with earnings for this year's production operations. Thus, we undertake in this analysis to suggest at least partial answers to the following specific questions:

"Which of the Plans A or B offer the highest profit opportunities for California cotton producers in 1959 under typical or representative conditions?"

"What are the effects of farm size, organization, soil quality and crop yields, and limited resources, such as irrigation water, on the relative returns under the two Plans?"

"How important are selling prices for cotton and other products, and what may producers reasonable expect such prices to be in 1959?"

Our analysis depends largely on data from earlier California studies for evaluating the relative earnings advantages of Plan A versus Plan B in 1959. It relies on official reports and estimates by the U. S. Department of Agriculture for statistical information concerning overall cotton production-price-consumption relationships. Finally, it draws heavily on recent research analyses by U. S. Department of Agriculture economists for interpreting demand and price phenomena, and to guide forward projections.

---

[1] Hedges, Trimble R., Cotton Price Support and Production Changes; What of the Future?, University of California, Division of Agricultural Sciences, California Agriculture, April, 1959.

New Programs Represent Sharp Change

On September 29, 1958, the Secretary of Agriculture announced a national marketing quota of 12,167,000 bales (500 pounds gross weight) for the 1959 cotton crop. This quota is approximately 4.4 million bales above the requirements estimated for "normal" supply (combined domestic consumption and exports plus a 30 percent carryover).[1] The reason for the difference between the proclaimed marketing quota and the estimated "normal" supply is that the Agricultural Act of 1958 establishes the minimum national acreage allotment at 16 million acres. The national marketing quota, consequently, must be sufficient to provide this number of acres, assuming normal average yield. A national acreage reserve of 310,000 acres has also been set aside to meet minimum farm allotments. This added acreage plus the individual state allotments equals 16,310,000 acres. State allotments for individual states appear in Table 1. The California acreage allotment in 1959 is reduced by 75,000 acres compared with 1958.

Cotton farmers, voting in the referendum held on December 15, 1958, approved the continuation of marketing quotas by the two-thirds majority necessary to make them effective. If farmers had not approved quotas, the regular farm allotments would have continued in effect but the support price to cooperators would have been at only 50 percent of parity.

In light of the new legislation and the favorable vote, each farmer who has an upland cotton acreage allotment may comply with his regular farm allotment (Plan A), in which case his crop will be eligible for the

---

[1] Overall quality of upland cotton carryover is low, however, considering carryover on hand August 1, 1958 (8.7 million bales) and supplies of certain specific grades and staple lengths are in relatively short supply.

TABLE 1

Cotton: Acreage Allotments, Acreage Under Soil Bank, and in Cultivation July 1, by States, United States, 1958 and 1959

State	Allotment 1958 a/	Acreage under soil bank program b/	Acreage in cultivation July 1, 1958	Allotment 1959 a/
	1	2	3	4
		acres		
		upland		
Alabama	1,035,463	466,155	550,000	985,191
Arizona	367,572	16,687	392,000	330,835
Arkansas	1,411,984	317,069	1,050,000	1,339,171
California	812,487	49,472	749,000	733,618
Florida	38,662	18,858	18,400	37,380
Georgia	905,387	479,020	406,000	850,600
Illinois	3,171	579	2,400	3,143
Kansas	24	4	0	26
Kentucky	7,775	1,983	5,700	7,552
Louisiana	609,922	208,175	388,000	578,579
Maryland	15	13	0	15
Mississippi	1,660,110	472,610	1,185,000	1,570,967
Missouri	377,819	69,984	308,000	357,796
Nevada	3,343	52	3,200	3,343
New Mexico	184,247	19,021	184,000	171,380
North Carolina	494,083	197,091	275,000	470,315
Oklahoma	827,162	362,954	442,000	752,784
South Carolina	739,957	355,193	363,000	698,238
Tennessee	582,523	151,803	420,000	554,635
Texas	7,474,661	1,733,743	5,650,000	6,846,757
Virginia	18,161	5,497	10,500	17,675
United States-Total	17,554,528	4,925,957	12,402,200	16,310,000

a/ Includes the National Reserve of 100,000 acres in 1958, and 310,000 acres in 1959.

b/ Preliminary.

Source: The Cotton Situation, 1959 Outlook Issue, Agricultural Marketing Service, U. S. Department of Agriculture, November, 1958, page 33.

full level of support (not less than 80 percent of parity for 1959), or he may elect Plan B which allows him to plant up to 40 percent more than under Plan A. The support level for Plan B is 15 percentage points of parity less than the support level for Plan A.

Prior to Public Law 85-835, August 28, 1958, if marketing quotas were in effect, cooperators could receive price support at not more than 90 percent of parity, or not less than the levels specified within the range 75 to 90 percent of parity according to the relationship of total supply to normal supply. Total supply is, generally, the carryover at the beginning of the marketing year plus estimated production during the calendar year, plus imports during the year. Normal supply is estimated domestic consumption, plus estimated exports, plus a 30 percent allowance for carryover.

In 1956, the acreage allotment formula was suspended for three years, freezing the national allotment at 17.6 million acres for the 1956, 1957, and 1958 crops. We indicated above that the national acreage allotment for 1959 and subsequent years has been set at 16 million acres, with an additional 310,000 acres in the National Reserve--a total of 16,310,000 acres. In 1957, 3,000,000 acres of the acreage allotment, and in 1958, 5,000,000 acres of the acreage allotment, were withdrawn from production under the provisions of the Acreage Reserve Section of the Soil Bank Act. These provisions no longer apply, and such withdrawals will not occur in 1959.

Price support to farmers who elect Choice A in 1959 and 1960 will be made available through a purchase program. The Commodity Credit Corporation (hereafter listed as CCC) then is directed to offer its cotton for sale for unrestricted use at not less than 10 percent above

the lower price support level made available to farmers who elect Choice B. Two provisions in this provision appear important; under Choice A, the support level cannot be less than 80 percent of parity (it may be more) and under Choice B individual farmers may increase plantings not to exceed 40 percent (they can plant less).

After 1960, and in the absence of further changes in the law, farmers will receive only their regular acreage allotments under the 1958 legislation, and price supports will be at such levels as the Secretary of Agriculture determines within the following limits:

(a) For 1961, the level will be not less than 70 percent and not more than 90 percent of parity.

(b) After 1961, the level will be not less than 65 percent and not more than 90 percent of parity.

Price support for cotton will be based on the average quality of the crop beginning in 1961. This departs from the procedure of establishing minimum price supports on the basis of supply percentage. The two precedents set by this part of the legislation are to allow support levels to be set below the present 75-90 percent of parity range, and to give the Secretary of Agriculture power to set the level of support prices within the specified range.

Effective August 1, 1961, minimum prices for CCC cotton sold for unrestricted use will be 115 percent of the support price plus reasonable carrying charges, unless Congress makes further changes in effective legislation. The existing legislation also provides that nothing in the Act will be construed to affect or modify the cotton export sales program provided for in Section 203 of the Agricultural Act of 1956. Section 403 of the Agricultural Act of 1949 (as amended) is further amended to provide, beginning with the 1959 crop, separate price supports substantially reflecting relative values for split grades and for full grades.

Section 102 of the Agricultural Act of 1958 states as soon as the support percentage and the parity price are determined for Choices A and B, the Secretary shall cause each operator "x x x to be notified of the alternative levels of price supports and the alternative acreage allotments x x x. The operator of each farm shall x x x notify the county committee, in writing, whether he desires x x x Choice (B) to be effective for his farm".[1]

---

[1] California farmers have until March 16, 1959 to comply with this requirement, according to announcements by the state and county Agricultural Stabilization and Conservation Committees on January 8, 1959.

RELATIVE ADVANTAGES OF PLANS A AND B VARY AMONG COTTON GROWERS

Information regarding the net effect of Choice A and B on four different California cotton farms differing as to size, crop yield, and crops, appears in the following three tables (Tables 2 to 4), and apply to an 80-acre Cotton-General farm, a 320-acre Cotton-General farm, a 320-acre Cotton-Specialty farm, and a 1,100-acre Cotton-General farm. Each farm has a specified amount of water available for irrigation and a specified amount of Grade I, II, and III land. Both water, and soil help determine the crops that farmers reduce as they increase cotton acreage. Table 2 indicates the 1958 acreage in each crop, and the 1959 acreage for the same farms under Plans A or B. We used 320-acre farms to compare the effect on income for Cotton-General farms and for those with a specialty crop such as potatoes. We designated the second 320-acre cotton unit as a Cotton-Specialty farm.

The acreage and crops on these farms reflect findings in previous California cotton farms studies. Once the 1958 crops and crop acreages were established, we derived Choice A for 1959 by reducing the 1958 cotton acreage allotment by 10 percent. The cotton acreage for Plan B is 140 percent of Plan A. We further assumed that cotton, alfalfa, corn, and potatoes compete for Grade I and II soil.

For the 80-acre farm the increased acreage for cotton under Plan B is taken from alfalfa rather than corn. The alternative was to eliminate corn entirely or to reduce it to an uneconomic minimum. On all other farms except the 320-acre Cotton-Specialty farm acreage shifts were limited to corn, barley, and fallow land (on the largest farm). The 320-acre Cotton-Specialty farm receives relatively high net returns from the specialty crop--potatoes. Since alfalfa is the weakest economic alternative and Grade I and II soils are limited, the optimum shift is to reduce alfalfa in order to expand cotton acreage.

TABLE 2

Farm Crop Acres by Farm Size, Four Representative California Cotton Farms 1958, and 1959 Under Plan A and B a/

Crop	1958 Acres	1959 Acres	
		plan A	plan B
	1	2	3
	I 80-acre Cotton-General Farm		
Cotton	27.0	24.4	34.2
Alfalfa	33.0	33.0	30.0
Corn	12.0	14.6	11.8
Idle	4.0	4.0	0
Total	76.0	76.0	76.0
	II 320-acre Cotton-General Farm		
Cotton	104.0	94.0	132.0
Alfalfa	83.0	83.0	83.0
Corn	40.0	40.0	12.0
Barley	61.0	71.0	61.0
Idle	16.0	16.0	16.0
Total	304.0	304.0	304.0
	III 320-acre Cotton-Specialty Farm		
Cotton	104.0	94.0	132.0
Alfalfa	83.0	83.0	52.0
Potatoes	60.0	60.0	60.0
Barley	57.0	67.0	60.0
Total	304.0	304.0	304.0
	IV 1,100-acre Cotton-General Farm b/		
Cotton	364.0	329.0	460.0
Alfalfa	250.0	250.0	250.0
Barley	240.0	250.0	250.0
Corn	100.0	106.0	0
Fallow	96.0	115.0	90.0
Total	1,050.0	1,050.0	1,050.0

a/ See text for explanation of basis for determining acreage in each crop.

b/ Assumes water adequate to operate two-thirds land in summer crops.

TABLE 3

Net Income Above Variable Costs, Three Yield Levels, 1958, 1959 Estimated for Plan A and Plan B [a]

	2.5 Bale yield			2.15 Bale yield			1.5 Bale yield		
	1958	A	B	1958	A	B	1958	A	B
	1	2	3	4	5	6	7	8	9
	dollars								
80-acre Farm									
Cotton	7,304	6,600	6,676	5,949	5,377	5,321	3,427	3,097	2,796
Alfalfa	1,749	1,749	1,590	1,452	1,452	1,320	1,207	1,207	1,097
Corn	540	657	531	408	496	401	268	326	264
Total	9,593	9,006	8,797	7,809	7,325	7,042	4,902	4,630	4,157
Dif.									
A-B			-209			-283			-473
320-acre Farm - General									
Cotton	33,041	29,864	31,999	26,978	24,384	25,691	15,687	14,179	13,948
Alfalfa	4,980	4,980	4,980	4,302	4,302	4,302	3,581	3,581	3,581
Corn	1,960	1,960	588	1,522	1,522	457	1,486	1,486	446
Barley	1,220	1,420	1,220	1,235	1,438	1,235	1,226	1,426	1,226
Total	41,201	38,224	38,787	34,037	31,646	31,685	21,980	20,672	19,201
Dif.									
A-B			+563			+39			-1,471
320-acre Farm - Specialty									
Cotton	32,714	29,569	31,585	26,651	24,088	25,276	15,361	13,884	13,534
Alfalfa	4,712	4,712	2,952	3,987	3,987	2,498	3,269	3,269	2,048
Potatoes	10,246	10,246	10,246	10,246	10,246	10,246	10,246	10,246	10,246
Barley	1,041	1,224	1,096	1,041	1,224	1,096	1,041	1,224	1,096
Total	48,713	45,751	45,879	41,925	39,545	39,116	29,917	28,623	26,924
Dif.									
A-B			+128			-429			-1,699
1,050-acre Farm									
Cotton	116,480	105,280	112,571	95,259	86,099	90,588	55,743	50,383	49,652
Alfalfa	19,250	19,250	19,250	16,750	16,750	17,420	14,250	14,250	17,420
Corn	5,300	5,618	0	4,300	4,558	0	3,330	3,498	0
Barley	5,760	6,000	6,000	5,760	6,000	6,000	5,760	6,000	6,000
Total	146,790	136,148	137,821	122,069	113,407	114,008	79,053	74,131	73,072
Fallow b/	-288	-345	-270	-288	-345	-270	-288	-345	-270
Total	146,502	135,803	137,551	121,781	113,062	113,738	78,765	73,787	72,802
Dif.									
A-B			+1,748			+676			-985

a/ The average price received by California farms in 1958 were: Barley, $1.05 per bushel; corn, $1.40 per bushel; potatoes, $1.80 per hundredweight, late spring, $1.60 per hundredweight, late summer, $1.40 per hundredweight, fall; cottonseed $43 per ton, cotton lint 33.9 cents per pound; alfalfa hay, $23.40 per ton. See text for prices used.

b/ Cost of maintenance for fallow acres.

TABLE 4

Changes in the Price of Cotton Lint Required To Make the Income From Plan B Equal to Plan A (plus or minus 27.3 cents per pound as the basis)

Farm Size or type	Price change by yield levels			Total price by yield levels		
	2.5 bales	2.15 bales	1.5 bales	2.5 bales	2.15 bales	1.5 bales
	1	2	3	4	5	6
	cents per pound					
80-acre General	0.5114	0.8049	1.929	27.8114	28.1049	29.2289
320-acre Specialty	-0.0812	0.3162	1.7952	27.2189	27.6162	29.0952
320-acre General	-0.3569	-0.0287	1.5437	26.9431	27.2713	28.8468
1,050-acre General	-0.3179	-0.1429	0.2987	26.9821	27.1571	27.5987

Source: Calculated by authors.

The amount of water available on the 1,100-acre unit is enough to provide irrigation water for only two-thirds of the land in summer crops. The result is to limit further the acreage in high water-demanding summer crops. Barley, a crop for which the water requirements occur during the winter, represents an important alternative under these restrictions.

We used three yield levels for each farm and applied the same yields for all farm sizes and organizations. These yields, together with costs per acre and the cost variations with changes in yield, appear in the Appendix. We included as costs only the variable expenses or direct costs. Fixed costs need not be considered, since no changes occur in them. A certain amount of idle or fallow land is specified on the assumption that it is the "normal" situation. All crops occupy all tillable acres on some farms, however, and on these farms all increases in one crop must come from acres previously assigned to some other crop. To determine the income effects of changing the cropping systems under these conditions it is necessary to compare total farm net incomes before and after the shift. This is

done by multiplying net income per acre times the number of acres for each crop and summing the totals to obtain total farm earnings under each of the alternative cropping systems (See Appendix Tables 1 - 4).

The prices we used to compute 1958 income are the season average prices received by farmers in 1957; the 1959 anticipated prices for cotton are the estimated supports under Choice A or B.[1] We shall have occasion later to present some variations in these prices in order to indicate the magnitude of changes necessary to equate the earnings from each of the two alternative allotment and price support plans (See Table 4).

The results of the partial budgets in Table 3 show the relative profitableness of Plan A or B for 1959, compared with each other and compared with 1958. We used 1957 prices in these calculations, except for the estimated Plan A and B support levels. A change in crop prices or yields from the indicated levels will affect incomes. The competition for land, however, will still be between crops other than cotton that compete for Grade I and II soil. This analysis assumes that, while alfalfa acreage may be taken out, little or no alfalfa acreage would be added because of the cost of establishing a stand and at the time required for alfalfa to reach full productive capacity.

According to data in Table 3 at the specified cost, yield, and price levels, the actual and relative returns under Plan A or B depends on yield, the cropping system, and the farm size.[2] The larger farms have some per

---

[1] The prices used were estimated as follows: The 1958 support price for middling grade, 1-1/16 inch staple upland cotton was determined to be 36.83 cents per pound of lint. This price was reduced by the index of average grade of California cotton. The 100 percent of parity price was then calculated and 80 percent and 65 percent of parity determined directly. Choice (A) estimated support price is 33.6 cents and Choice (B) estimated support price is 27.3 cents per pound.

[2] The material on which the indicated net incomes in Table 3 are based appears in Appendix Tables 1 to 4.

unit cost advantages over the smaller farms, but the inter-crop competition for acreage has a much greater effect on net income than production costs alone. Only at high yield levels is cotton able to carry its own costs and, in addition, replace the income given up on the acreage where cotton displaces other crops. The larger farms have more latitude in acreage, while the nonspecialty farms are not confronted with high competition for acreage by a specialty crop. The basic assumption regarding specialties is that the expected higher return to these crops, compared with alternatives, assure them a minimum acreage in the cropping system. We further assume that farm operators will not shift potatoes, cotton, alfalfa, or corn (or a comparable specialty crop) to the poorer land. To do so would result in serious strains on water distribution facilities. Thus, cotton must absorb the full impact of reduced incomes from other crops caused by increased cotton acreage. Under some circumstances, it is able to do this only under conditions of high yields. Under other circumstances, particularly on large farms, idle land and other surplus resources permit growers to expand cotton acreage but the water limitation forces a reduction in one of the summer crops.[1]

The principal conclusion from Table 3 is that the profitability of Plan B over Plan A varies with (1) farm size, (2) yield level, and (3) cropping systems previous to 1959. Under the given conditions, Plan A is more profitable than Plan B for the 80-acre farm at each of the three yield levels, and for the 320-acre General farm at the 1.5 cotton yield level. Plan B shows higher returns at the 2.5 bale yield for the 320-acre Cotton

---

[1] The water restriction imposed on the 1,100-acre farm is an assumption that the water supply is only sufficient for two-thirds of the land available for summer crops. On farms where this restriction does not exist the advantage of Plan B over Plan A will be increased.

General farm (but at 2.15 bales the favorable difference is so small as to be unimportant). Plan A is more profitable on the 320-acre Cotton-Specialty farm at the 2.15 bale and 1.5 bale yield levels. Plan B shows the highest returns under 2.5 bale cotton yields on the 320-acre Cotton-Specialty farm and for the two higher yield levels on the 1,100-acre farm. Alternative crop yields also vary in this analysis to correspond with the change in cotton yield, as indicated in Appendix Tables 1 through 4.

It is possible to compare Plan A with Plan B further by determining (1) the prices under which returns from the two Plans would be identical, and (2) the amount of change in our assumed cotton prices necessary to establish this relationship. Data permitting such comparisons (that is, "break-even prices") appear in Table 4.[1]

A very slight price change would make Choice B equal to Choice A in most instances. The largest price change required is an increase of 1.929 cents per pound (80-acre farm, 1.5 bales of cotton per acre). The greatest price increases required are associated with the lowest yield levels. We list negative price shifts to indicate the price level to which cotton could fall before Plan A would become equally as profitable as Plan B. This minimum level is approximately 26.9 cents per pound for cotton yields at the 2.5 bale level. It ranges from this price to nearly 30 cents per pound for 80-acre farms with 1.5 bale yields. The usefulness of these comparisons depend, of course, on the assumptions that our data are accurate, and that no shifts in modifying factors (such as yields, costs, and prices) occur. We know that farms larger than 320-acres in size include most of California's cotton acres, and (from State average yields during recent

---

[1] Accurate total net returns to cotton per acre include both the value of lint and cottonseed, but we simplified this calculation by using only the price of lint to determine the point at which the two Plans are equally profitable.

years, including 1958) that a large fraction of the State's cotton crop averages 2.15 bales or more per acre.[1] The above analysis indicates that farmers producing a large amount of California's cotton would find Plan B more profitable than Plan A in 1959--assuming cotton lint prices hold at 27.3 cents per pound or higher. Growers can't wait to see what the price situation will be, however; they must choose one Plan (and reject the other) before March 16. This means that they must base their price determinations according to what they expect prices will be when they sell their cotton. Thus each grower, in order to decide between Plan A and Plan B, must, (1) estimate expected prices, and (2) evaluate his production conditions and costs as we did in the foregoing analysis. Finally, he must decide whether to elect Plan A or Plan B in 1959, and notify the County Agricultural Stabilization Committee. Price expectations are critically important in this decision process. It is probable that price expectations will vary widely among individual cotton growers.

It appears likely that most California cotton farmers who decide to elect Plan B for 1959 will be on farms larger than 320-acres in size, with yields averaging more than 2 bales per acre and on which no specialty crops with relatively high earnings are available as alternatives to cotton. It is not likely that all large farms meeting these conditions will choose Plan B. Some farmers on such farms will choose Plan A because they expect prices lower than 27.3 cents per pound, or for other reasons.

---

[1] Athanassatos, D. G., D. D. Caton, T. R. Hedges, and W. N. Schaller, Farm Adjustments and Earnings Under 1955 Cotton Acreage Allotments, 1-5, Calif. Ag. Exp. Sta., Mimeo. Reports Nos. 191, 192, 194, 202, 203, 208, 209, 211, 212, University of California, Davis, California, Giannini Foundation of Agricultural Economics, 1956-1958.

APPENDIX TABLE 1

Net Earnings Above Variable Costs; 80-acre General Farms

I. Yield; 1,195 pounds lint, 1.065 tons seed per acre (2.5 bales)

Year or plan	Yield unit	Yield per acre	Price per unit	Receipts per acre	Variable expenses per acre	Net returns per acre	No. of acres	Total net income
	1	2	3	4	5	6	7	8
			dollars					dollars
Yield level 1958								
Cotton					187.14	270.51	27.0	7,304
lint	lbs.	1,195.0	0.336	401.52				
seed	tons	1.065	52.70	56.13				
Alfalfa	tons	6.5	23.40	152.00	99.00	53.00	33.0	1,749
Corn	cwt.	45.0	2.50	112.00	67.00	45.00	12.0	540
Idle							4.0	
Total							76.0	9,593
Plan A 1959								
Cotton					187.14	270.51	24.4	6,600
lint	lbs.	1,195.0	0.336	401.52				
seed	tons	1.065	52.70	56.13				
Alfalfa	tons	6.5	23.40	152.00	99.00	53.00	33.0	1,749
Corn	cwt.	45.0	2.50	112.00	67.00	45.00	14.6	657
Idle							4.0	
Total							76.0	9,006
Plan B 1959								
Cotton					187.14	195.23	34.2	6,676
lint	lbs.	1,195.0	0.273	326.24				
seed	tons	1.065	52.70	56.13				
Alfalfa	tons	6.5	23.40	152.00	99.00	53.00	30.0	1,590
Corn	cwt.	45.0	2.50	112.00	67.00	45.00	11.8	531
Total							76.0	8,797

(Continued on next page.)

Appendix Table 1 continued.

II. Yield; 1,028 pounds lint, 0.916 tons seed per acre
(2.15 bales)

Year or plan	Yield unit	Yield per acre	Price per unit	Receipts per acre	Variable expenses per acre	Net returns per acre	No. of acres	Total net income
	1	2	3	4	5	6	7	8
			dollars					dollars
Yield level 1958								
Cotton					173.33	220.35	27.0	5,949
lint	lbs.	1,028.0	0.336	345.41				
seed	tons	0.916	52.70	48.27				
Alfalfa	tons	6.0	23.40	140.00	96.00	44.00	33.0	1,452
Corn	cwt.	40.0	2.50	100.00	66.00	34.00	12.0	408
Idle							4.0	
Total							76.0	7,809
Plan A 1959								
Cotton					173.33	220.35	24.4	5,377
lint	lbs.	1,028.0	0.336	345.41				
seed	tons	0.916	52.70	48.27				
Alfalfa	tons	6.0	23.40	140.00	96.00	44.00	33.0	1,452
Corn	cwt.	40.0	2.50	100.00	66.00	34.00	14.6	496
Idle							4.0	
Total							76.0	7,325
Plan B 1959								
Cotton					173.33	155.58	34.2	5,321
lint	lbs.	1,028.0	0.273	280.64				
seed	tons	0.916	52.70	48.27				
Alfalfa	tons	6.0	23.40	140.00	96.00	44.00	30.0	1,320
Corn	cwt.	40.0	2.50	100.00	66.00	34.00	11.8	401
Total							76.0	7,042

(Continued on next page.)

Appendix Table 1 continued.

III. Yield; 717 pounds lint, 0.637 tons seed per acre (1.5 bales)

Year or plan	Yield unit 1	Yield per acre 2	Price per acre 3	Receipts per acre 4	Variable expenses per acre 5	Net returns per acre 6	No. of acres 7	Total net income 8
			dollars					dollars
Yield level 1958								
Cotton					147.66	126.93	27.0	3,427
lint	lbs.	717.0	0.336	240.91				
seed	tons	0.6375	52.70	33.68				
Alfalfa	tons	5.5	23.40	128.70	92.13	36.57	33.0	1,207
Corn	cwt.	35.0	2.50	87.50	65.15	22.35	12.0	268
Idle							4.0	
Total							76.0	4,902
Plan A 1959								
Cotton					147.66	126.93	24.4	3,097
lint	lbs.	717.0	0.336	240.91				
seed	tons	0.6375	52.70	33.68				
Alfalfa	tons	5.5	23.40	128.70	92.13	36.57	33.0	1,207
Corn	cwt.	35.0	2.50	87.50	65.15	22.35	14.6	326
Idle							4.0	
Total							76.0	4,630
Plan B 1959								
Cotton					147.66	81.76	34.2	2,796
lint	lbs.	717.0	0.273	195.74				
seed	tons	0.6375	52.70	33.68				
Alfalfa	tons	5.5	23.40	128.70	92.13	36.57	30.0	1,097
Corn	cwt.	35.0	2.50	87.50	65.15	22.35	11.8	264
Total							76.0	4,157

APPENDIX TABLE 2

Net Earnings Above Variable Costs; 320-acre General Farm

I. Yield; 1,195 pounds lint, 1.065 tons seed per acre (2.5 bales)

Year or plan	Yield unit	Yield per acre	Price per unit	Receipts per acre	Variable expenses per acre	Net returns per acre	No. of acres	Total net income
	1	2	3	4	5	6	7	8
			dollars					dollars
Yield level 1958								
Cotton					139.95	317.70	104	33,041
lint	lbs.	1,195.0	0.336	401.52				
seed	tons	1.065	52.70	56.13				
Alfalfa	tons	6.5	23.40	152.00	92.00	60.00	83	4,980
Corn	cwt.	45.0	2.50	112.00	63.00	49.00	40	1,960
Barley	cwt.	21.0	2.04	43.00	23.00	20.00	61	1,220
Idle							16	
Total							304	41,201
Plan A 1959								
Cotton					139.95	317.70	94	29,864
lint	lbs.	1,195.0	0.336	401.52				
seed	tons	1.065	52.70	56.13				
Alfalfa	tons	6.5	23.40	152.00	92.00	60.00	83	4,980
Corn	cwt.	45.0	2.50	112.00	63.00	49.00	40	1,960
Barley	cwt.	21.0	2.04	43.00	23.00	20.00	61	1,220
Idle							16	
Total							304	38,224
Plan B 1959								
Cotton					139.95	242.42	132	31,999
lint	lbs.	1,195.0	0.273	326.24				
seed	tons	1.065	52.70	56.13				
Alfalfa	tons	6.5	23.40	152.00	92.00	60.00	83	4,980
Corn	cwt.	45.0	2.50	112.00	63.00	49.00	12	588
Barley	cwt.	21.0	2.04	43.00	23.00	20.00	61	1,220
Idle							16	
Total							304	38,787

(Continued on next page.)

Appendix Table 2 continued.

II. Yield; 1,028 pounds lint, 0.916 tons seed
(2.15 bales)

Year or plan	Yield unit	Yield per acre	Price per unit	Receipts per acre	Variable expenses per acre	Net return per acre	No. of acres	Total net income
	1	2	3	4	5	6	7	8
			dollars					dollars
Yield level 1958								
Cotton					134.28	259.40	104	26,978
lint	lbs.	1,028.0	0.336	345.41				
seed	tons	0.916	52.70	48.27				
Alfalfa	tons	6.0	23.40	140.40	88.57	51.83	83	4,302
Corn	cwt.	40.0	2.50	100.00	61.96	38.04	40	1,522
Barley	cwt.	21.0	2.04	43.00	22.75	20.25	61	1,235
Idle							16	
Total							304	34,037
Plan A 1959								
Cotton					134.28	259.40	94	24,384
lint	lbs.	1,028.0	0.336	345.41				
seed	tons	0.916	52.70	48.27				
Alfalfa	tons	6.0	23.40	140.40	88.57	51.83	83	4,302
Corn	cwt.	40.0	2.50	100.00	61.96	38.04	40	1,522
Barley	cwt.	21.0	2.04	43.00	22.75	20.25	71	1,438
Idle							16	
Total							304	31,646
Plan B 1959								
Cotton					134.28	194.63	132	25,691
lint	lbs.	1,028.0	0.273	280.64				
seed	tons	0.916	52.70	48.27				
Alfalfa	tons	6.0	23.40	140.40	88.57	51.83	83	4,302
Corn	cwt.	40.0	2.50	100.00	61.96	38.04	12	457
Barley	cwt.	21.0	2.04	48.00	22.75	20.25	61	1,235
Idle							16	
Total							304	31,685

(Continued on next page.)

Appendix Table 2 continued.

III. Yield; 717 pounds lint, 0.6375 tons seed (1.5 bales)

Year or plan	Yield unit	Yield per acre	Price per unit	Receipts per acre	Variable expenses per acre	Net returns per acre	No. of acres	Total net income
	1	2	3	4	5	6	7	8
			dollars					dollars
Yield level 1958								
Cotton					123.75	150.84	104	15,687
lint	lbs.	717.0	0.336	240.91				
seed	tons	0.6375	52.70	33.68				
Alfalfa	tons	5.5	23.40	128.70	85.56	43.14	83	3,581
Corn	cwt.	35.0	2.50	87.50	60.84	37.16	40	1,486
Barley	cwt.	21.0	2.04	42.84	22.75	20.09	61	1,226
Idle							16	
Total							304	21,980
Plan A 1959								
Cotton					123.75	150.84	94	14,179
lint	lbs.	717.0	0.336	240.91				
seed	tons	0.6375	52.70	33.68				
Alfalfa	tons	5.5	23.40	128.70	85.56	43.14	83	3,581
Corn	cwt.	35.0	2.50	87.50	60.84	37.16	40	1,486
Barley	cwt.	21.0	2.04	42.84	22.75	20.09	71	1,426
Idle							16	
Total							304	20,672
Plan B 1959								
Cotton					123.75	105.67	132	13,984
lint	lbs.	717.0	0.273	195.74				
seed	tons	0.6375	52.70	33.68				
Alfalfa	tons	5.5	23.40	128.70	85.56	43.14	83	3,581
Corn	cwt.	35.0	2.50	87.50	60.84	37.16	12	446
Barley	cwt.	21.0	2.04	42.84	22.75	20.09	61	1,226
Idle							16	
Total							304	19,201

APPENDIX TABLE 3
Net Earnings Above Variable Costs; 320-acre Specialty Farm

I. Yield; 1,195 pounds lint, 1.065 tons seed per acre (2.5 bales)

Year or plan	Yield unit 1	Yield per acre 2	Price per unit 3	Receipts per acre 4	Variable expenses per acre 5	Net returns per acre 6	No. of acres 7	Total net income 8
			dollars					dollars
Yield level 1958								
Cotton					143.09	314.56	104	32,714
lint	lbs.	1,195.0	0.336	401.52				
seed	tons	1.065	52.70	56.13				
Alfalfa	tons	6.5	23.40	152.10	95.33	56.77	83	4,712
Potatoes	cwt.	275.0	2.20	605.00	434.23	170.77	60	10,246
Barley	cwt.	21.0	2.04	43.00	23.66	18.27	57	1,041
Total							304	48,713
Plan A 1959								
Cotton					143.09	314.56	94	29,569
lint	lbs.	1,195.0	0.336	401.52				
seed	tons	1.065	52.70	56.13				
Alfalfa	tons	6.5	23.40	152.10	95.33	56.77	83	4,712
Potatoes	cwt.	275.0	2.20	605.00	434.23	170.77	60	10,246
Barley	cwt.	21.0	2.04	43.00	23.66	18.27	67	1,224
Total							304	45,751
Plan B 1959								
Cotton					143.09	239.28	132	31,585
lint	lbs.	1,195.0	0.273	326.24				
seed	tons	1.065	52.70	56.13				
Alfalfa	tons	6.5	23.40	152.10	95.33	56.77	52	2,952
Potatoes	cwt.	275.0	2.20	605.00	434.23	170.77	60	10,246
Barley	cwt.	21.0	2.04	43.00	23.66	18.27	60	1,096
Total							304	45,879

(Continued on next page.)

Appendix Table 3 continued.

II. Yield; 1028 pounds lint, 0.916 tons seed per acre
(2.15 bales)

Year or plan	Yield unit	Yield per acre	Price per acre	Receipts per acre	Variable expenses per acre	Net returns per acre	No. of acres	Total net income
	1	2	3	4	5	6	7	8
			dollars					dollars
Yield level 1958								
Cotton					137.42	256.26	104	26,651
lint	lbs.	1,028.0	0.336	345.41				
seed	tons	0.916	52.70	48.27				
Alfalfa	tons	6.0	23.40	140.40	92.32	48.04	83	3,987
Potatoes	cwt.	275.0	2.20	605.00	434.32	170.77	60	10,246
Barley	cwt.	21.0	2.04	43.84	23.66	18.27	57	1,041
							304	41,925
Plan A 1959								
Cotton					137.42	256.26	94	24,088
lint	lbs.	1,028.0	0.336	345.41				
seed	tons	0.916	52.70					
Alfalfa	tons	6.0	23.40	140.40	92.32	48.04	83	3,987
Potatoes	cwt.	275.0	2.20	605.00	434.32	170.77	60	10,246
Barley	cwt.	21.0	2.04	42.84	23.66	18.27	67	1,224
Total							304	39,545
Plan B 1959								
Cotton					137.42	191.49	132	25,276
lint	lbs.	1,028.0	0.273	280.64				
seed	tons	0.916	52.70	48.27				
Alfalfa	tons	6.0	23.40	140.40	92.32	48.04	52	2,498
Potatoes	cwt.	275.0	2.20	605.00	434.32	170.77	60	10,246
Barley	cwt.	21.0	2.04	42.84	23.66	18.27	60	1,096
Total							304	39,116

(Continued on next page.)

Appendix Table 3 continued.

III. Yield; 717 pounds lint, 0.6735 tons seed per acre
(1.5 bales)

Year or plan	Yield unit	Yield per acre	Price per unit	Receipts per acre	Variable expenses per acre	Net returns per acre	No. of acres	Total net income
	1	2	3	4	5	6	7	8
			dollars					dollars
Yield level 1958								
Cotton					126.89	147.70	104	15,361
lint	lbs.	717.0	0.336	240.91				
seed	tons	0.6375	52.70	33.68				
Alfalfa	tons	5.5	23.40	128.70	89.31	39.39	83	3,269
Potatoes	cwt.	275.0	2.20	605.00	434.23	170.77	60	10,246
Barley	cwt.	21.0	2.04	42.84	23.66	18.27	57	1,041
Total							304	29,917
Plan A 1959								
Cotton					126.89	147.70	94	13,884
lint	lbs.	717.0	0.336	240.91				
seed	tons	0.6375	52.70	33.68				
Alfalfa	tons	5.5	23.40	128.70	89.31	39.39	83	3,269
Potatoes	cwt.	275.0	2.20	605.00	434.23	170.77	60	10,246
Barley	cwt.	21.0	2.04	42.84	23.66	18.27	67	1,224
Total							304	28,623
Plan B 1959								
Cotton					126.89	102.53	132	13,534
lint	lbs.	717.0	0.273	195.74				
seed	tons	0.6375	52.70	33.68				
Alfalfa	tons	5.5	23.40	128.70	89.31	39.39	52	2,048
Potatoes	cwt.	275.0	2.20	605.00	434.23	170.77	60	10,246
Barley	cwt.	21.0	2.04	42.84	23.66	18.27	60	1,096
Total							304	26,924

APPENDIX TABLE 4

Net Earnings Above Variable Costs; 1,050-acre General Farm

I. Yield; 1,195 pounds lint, 1.065 tons seed per acre (2.5 bales)

Year or plan	Yield unit	Yield per acre	Price per unit	Receipts per acre	Variable expenses per acre	Net returns per acre	No. of acres	Total net income
	1	2	3	4	5	6	7	8
			dollars					dollars
Yield level 1958								
Cotton					137.65	320.00	364	116,480
lint	lbs.	1,195.0	0.336	401.52				
seed	tons	1.065	52.70	56.13				
Alfalfa	tons	6.5	23.40	152.00	75.00	77.00	250	19,250
Corn	cwt.	45.0	2.50	112.00	59.00	53.00	100	5,300
Barley	cwt.	21.0	2.04	43.00	19.00	24.00	240	5,760
Fallow					3.00		96	-288
Total							1,050	146,502
Plan A 1959								
Cotton					137.65	320.00	329	105.280
lint	lbs.	1,195.0	0.336	401.52				
seed	tons	1.065	52.70	56.13				
Alfalfa	tons	6.5	23.40	152.00	75.00	77.00	250	19,250
Corn	cwt.	45.0	2.50	112.00	59.00	53.00	106	5,618
Barley	cwt.	21.0	2.04	43.00	19.00	24.00	250	6,000
Fallow					3.00	-3.00	115	-345
Total							1,050	135,803
Plan B 1959								
Cotton					137.65	244.72	460	112,571
lint	lbs.	1,195.0	0.273	326.24				
seed	tons	1.065	52.70	56.13				
Alfalfa	tons	6.5	23.40	152.00	75.00	77.00	250	19,250
Barley	cwt.	21.0	2.04	43.00	19.00	24.00	250	6,000
Fallow					3.00		90	-270
Total							1,050	137,551

(Continued on next page.)

Appendix Table 4 continued.

II. Yield; 1,028 pounds lint, 0.916 tons seed per acre
(2.15 bales)

Year or plan	Yield unit	Yield per acre	Price per unit	Receipts per acre	Variable expenses per acre	Net returns per acre	No. of acres	Total net income
	1	2	3	4	5	6	7	8
			dollars					dollars
Yield level 1958								
Cotton					131.98	261.70	364	95,259
lint	lbs.	1,028.0	0.336	345.41				
seed	tons	0.916	52.70	48.27				
Alfalfa	tons	6.0	23.40	140.00	73.00	67.00	250	16,750
Corn	cwt.	40.0	2.50	100.00	57.00	43.00	100	4,300
Barley	cwt.	21.0	2.04	43.00	19.00	24.00	240	5,760
Fallow					3.00		96	-288
Total							1,050	121,781
Plan A 1959								
Cotton					131.98	261.70	329	86,099
lint	lbs.	1,028.0	0.336	345.41				
seed	tons	0.916	52.70	48.27				
Alfalfa	tons	6.0	23.40	140.00	73.00	67.00	250	16,750
Corn	cwt.	40.0	2.50	100.00	57.00	43.00	106	4,558
Barley	cwt.	21.0	2.04	43.00	19.00	24.00	250	6,000
Fallow					3.00		115	-345
Total							1,050	113,062
Plan B 1959								
Cotton					131.98	196.93	460	90,588
lint	lbs.	1,028.0	0.273	280.64				
seed	tons	0.916	52.70	48.27				
Alfalfa	tons	6.0	23.40	140.00	73.00	67.00	250	17,420
Barley	cwt.	21.0	2.04	43.00	19.00	24.00	250	6,000
Fallow					3.00		90	-270
Total							1,050	113,738

(Continued on next page.)

Appendix Table 4 continued.

III. Yield; 717 pounds lint, 0.693 tons seed per acre (1.5 bales)

Year or plan	Yield unit 1	Yield per acre 2	Price per unit 3	Receipts per acre 4	Variable expenses per acre 5	Net returns per acre 6	No. of acres 7	Total net income 8
			dollars					dollars
Yield level 1958								
Cotton					121.45	153.14	364	55,743
lint	lbs.	717.0	0.336	240.91				
seed	tons	0.639	52.70	33.68				
Alfalfa	tons	5.5	23.40	129.00	72.00	57.00	250	14,250
Corn	cwt.	35.0	2.50	88.00	55.00	33.00	100	3,300
Barley	cwt.	21.0	2.04	43.00	19.00	24.00	240	5,760
Fallow					3.00		96	-288
Total							1,050	78,765
Plan A 1959								
Cotton					121.45	153.14	329	50,383
lint	lbs.	717.0	0.336	240.91				
seed	tons	0.639	52.70	33.68				
Alfalfa	tons	5.5	23.40	129.00	72.00	57.00	250	14,250
Corn	cwt.	35.0	2.50	88.00	55.00	33.00	106	3,498
Barley	cwt.	21.0	2.04	43.00	19.00	24.00	250	6,000
Fallow					3.00		115	-345
Total							1,050	73,787
Plan B 1959								
Cotton					121.45	107.94	460	49,652
lint	lbs.	717.0	0.273	195.74				
seed	tons	0.639	52.70	33.68				
Alfalfa	tons	5.5	23.40	129.00	72.00	57.00	250	17,420
Barley	cwt.	21.0	2.04	43.00	19.00	24.00	250	6,000
Fallow					3.00		90	-270
Total							1,050	72,802

a

APPENDIX TABLE 5

Cotton: Acreage, Production and Yield Forecast, by States, Crop of 1958 With Comparisons: November 1, 1958

State	1958 acreage for harvest a/	Lint yield per harvested acre			Production b/		
		average 1947-56	1957 crop	indicated 1958	average 1947-56	1957 crop	1958 crop indicated Nov. 1
	1	2	3	4	5	6	7
	1,000 bales	pounds			1,000 bales c/		
North Carolina	270	324	321	444	441	231	250
South Carolina	355	306	329	412	628	344	305
Georgia	398	276	333	434	681	396	360
Tennessee	410	383	427	503	583	415	430
Alabama	544	307	346	397	884	530	450
Mississippi	1,145	389	388	432	1,759	1,081	1,030
Missouri	300	400	281	464	399	179	290
Arkansas	1,030	374	416	471	1,458	981	1,010
Louisiana	375	389	380	378	639	348	295
Oklahoma	420	175	234	377	374	263	330
Texas	5,380	222	295	379	3,937	3,632	4,250
New Mexico	178	573	619	769	269	236	285
Arizona	384	777	1,037	1,000	687	763	800
California	733	714	1,035	1,080	1,348	1,537	1,650
Other States d/	38	300	316	364	49	28	29
United States	11,960	317	388	472	14,136	10,964	11,764

a/ Preliminary.

b/ Production ginned and to be ginned.

c/ Bales of 500 pounds gross weight. A 500-pound bale contains about 480 net pounds of lint.

d/ Includes Virginia, Florida, Illinois, Kentucky, Kansas and Nevada.

Source: The Cotton Situation 1959 Outlook Issue. Agricultural Marketing Service, U. S. Department of Agriculture, November, 1958, pagé 35.

APPENDIX TABLE 6

Cotton: Parity Price and Farm Price as a Percent of Parity, United States, 1950 to Date

Year beginning August 1	Aug. 1	Sept. 2	Oct. 3	Nov. 4	Dec. 5	Jan. 6	Feb. 7	Mar. 8	Apr. 9	May 10	June 11	July 12	Average 13
	cents												
	Parity prices a/												
1950	31.25	31.74	31.87	32.12	32.36	32.98	33.11	33.66	33.73	33.85	33.98	33.85	32.87
1951	33.85	33.85	33.98	34.10	34.10	34.35	34.47	34.47	34.35	34.35	34.35	34.35	34.22
1952	34.47	34.47	34.35	34.22	34.10	34.22	33.85	34.10	34.22	34.10	33.98	34.22	34.19
1953	34.35	34.35	34.22	34.35	34.35	34.72	34.72	34.97	35.09	35.09	34.97	35.09	34.69
1954	35.09	34.84	34.60	34.72	35.22	35.22	35.22	35.34	35.22	35.22	35.34	35.22	35.06
1955	35.22	34.97	34.97	34.97	35.09	34.84 c/	34.72	34.97	35.22	35.44	35.44	35.56	35.12
1956	35.68	35.56	35.56	35.81	35.81	36.56	36.81	36.83	37.06	37.06	37.06	36.93	36.40
1957	36.93	37.06	37.06	37.31	37.43	37.96	38.08	38.33	38.59	38.68	38.55	38.55	37.88
1958	38.43	38.55	38.80										
	Farm price as a percent of parity												
1950	118	126	122	128	125	125	128	126	128	125	124	116	124
1951	102	100	107	120	118	112	108	104	107	105	111	108	109
1952	110	113	108	100 b/	93	87	89	92	92	93	93	93	97
1953	95	96	95	93	89	87	88	89	90	92	92	92	92
1954	97	99	100	96	94	92	90	90	91	89	89	91	93
1955	93	97	94	93	89	88	89	90	92	90	91	91	91
1956	87	91	90	89	87	83	82	81	82	85	86	87	86
1957	89	89	87	83	75	72	65	68	72	75	75	80	78
1958	86	90	86										

a/ Calculated from revised indices as published by Agricultural Economics Division, January 1950.

b/ Since November 1952 farm price of American Upland.

c/ New parity since 1956. Crop Reporting Board.

Source: The Cotton Situation 1959 Outlook Issue. Agricultural Marketing Service, U. S. Department of Agriculture, November, 1958, page 37.

APPENDIX TABLE 7

All Kinds of Cotton: Supply and Distribution, United States, Average 1935-1939, 1945-1949 and 1950 to Date

Year beginning August 1	Supply					Distribution			
	carryover beginning of season	production a/	imports	city crop	total	consumption	exports	destroyed	total
	1	2	3	4	5	6	7	8	9
	1,000 bales b/								
Average 1935-39	8,336.4	12,711.0	170.6	0	21,278.0	6,938.2	5,297.4	56.8	12,292.4
Average 1945-49	5,877.4	11,905.5	251.7	23.0	18,057.6	9,037.7	3,927.4	33.6	12,998.7
1950	6,846.1	9,850.7	188.8	28.0	16,913.6	10,509.4 c/	4,107.7	27.0	14,644.1
1951	2,277.9	15,028.7	72.2	40.0	17,418.8	9,196.0 c/	5,514.8	35.0	14,745.8
1952	2,789.4	15,124.1	193.2	42.0	18,148.7	9,461.2 c/	3,048.2	50.0	12,559.4
1953	5,604.8	16,359.5	141.6	43.0	22,148.9	8,576.2	3,760.5	75.0	12,411.7
1954	9,727.9	13,545.0	146.3	46.0	23,465.2	8,841.5	3,445.5	60.0	12,347.0
1955	11,205.4	14,632.9	136.6	47.0	26,021.9	9,209.6 c/	2,213.9	0	11,423.5
1956	14,528.8	12,977.1	136.4 d/	50.0	27,643.9 d/	8,608.4 c/	7,593.4	0	16,201.8
1957	11,322.6	10,862.2	41.5	58.0	22,384.3 e/	8,009.8 c/	5,717.3	0	13,727.1
1958 f/	8,744.7	11,688.0	145.0	50.0	20,627.7	8,250.0	4,000.0	0	12,250.0

a/ Includes in-season ginnings.

b/ Running bales except imports which are in bales of 500 pounds.

c/ Adjusted to calendar year.

d/ Imports include, but total supply excludes 48,213 bales of stockpile cotton entered under the long-staple cotton import quota.

e/ Includes 50,000 bales of long-staple cotton released from the strategic stockpile and offered for sale by CCC for unrestricted use.

f/ Preliminary, partly estimated.

Source: The Cotton Situation 1959 Outlook Issue. Agricultural Marketing Service, U. S. Department of Agriculture, November, 1958, page 40.

APPENDIX TABLE 8

Commercial Cotton, All Growths: World Supply and Consumption, Average 1935-1939, 1940-1944, 1945-1949; Annual 1950 to Date

Year beginning August 1	Supply					Mill consumption a/		
	carryover August 1							
	United States	foreign countries	world	world production	total	United States	foreign countries	world
	1	2	3	4	5	6	7	8
	1,000 bales b/							
				All growths				
Average								
1935-39	8,336	9,015	17,351	29,690	47,041	6,938	21,610	28,549
1940-44	10,954	11,843	22,798	25,614	48,412	10,301	13,838	24,138
1945-49	5,877	15,300	21,180 c/	24,720	45,900	9,038	17,980	27,000
Annual								
1950	6,846	10,100	17,000	29,400	46,400	10,509 d/	23,500	34,000
1951	2,278	9,900	12,200	37,200	49,400	9,196 d/	24,600	33,800
1952	2,789	12,700	15,500	38,300	53,800	9,461 d/	25,700	35,100
1953	5,605	12,900	18,500	40,000	58,500	8,576	28,600	37,200
1954	9,728	11,400	21,100	39,400	60,500	8,841	29,400	38,200
1955	11,205	10,800	22,100	41,900	64,000	9,210 d/	30,000	39,200
1956	14,529	10,000	24,500	40,300	64,800	8,608 d/	32,600	41,200
1957	11,323	12,200	23,500	39,300	62,800	8,010 d/	32,500	40,500
1958 e/	8,745	13,200	22,000					

a/ Excludes estimates for quantities destroyed and used for adjustment purposes.

b/ American in running bales, foreign in equivalent 500 pound bales.

c/ Since 1945 stocks, of "commercial" cotton are identical with stocks of "all" cottons.

d/ Adjusted to August 1-July 31 year.

e/ Preliminary.

Source: The Cotton Situation 1959 Outlook Issue. Agricultural Marketing Service, U. S. Department of Agriculture, November, 1958, page 55.